

COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE							
FISCAL YEARS 2013/2014 THROUGH 2019/2020 (IN MILLIONS)							
Revenue	ACTUAL 2013/14	ACTUAL 2014/15	FORECAST 2015/16 10-Feb-16	FORECAST 2016/17 10-Feb-16	FORECAST 2017/18 10-Feb-16	FORECAST 2018/19 10-Feb-16	FORECAST 2019/20 10-Feb-16
Alcoholic Beverage Tax	22.8	23.8	24.1	24.9	25.6	26.3	27.0
Beer Tax	34.3	33.7	34.0	33.6	33.4	33.3	33.1
Corporate Franchise Tax							
Corporate Income Tax							
Corporate Total	329.5	300.1	359.3	413.2	424.6	258.4	294.3
Gasoline and Special Fuels Tax	588.9	606.4	616.9	624.1	633.3	642.5	651.7
Gift Tax	0.1	0.0	0.0	-	-	-	-
Hazardous Waste Tax	3.0	3.7	3.3	3.3	3.3	3.3	3.3
Individual Income Tax	2,750.6	2886.1	2982.9	3,071.3	3,156.1	3,222.1	3,316.4
Inheritance Tax	0.1	0.0	0.0	-	-	-	-
Natural Gas Franchise Tax	0.7	0.6	0.3	0.3	0.3	0.3	0.3
Public Utilities	7.6	7.0	7.0	7.0	7.0	7.0	7.0
Auto Rental Excise	0.0	0.0	0.0	-	-	-	-
Sales Tax	2,620.1	2700.8	2704.8	2,700.5	2,676.8	2,673.5	2,685.6
Severance Tax	823.0	708.4	420.2	278.1	303.2	322.4	334.5
Supervision&Inspection Fees	8.5	7.9	8.0	8.0	8.0	8.0	8.0
Tobacco Tax	143.1	153.9	243.0	255.0	255.0	255.0	255.0
Unknown Owners	48.6	57.3	54.9	55.0	54.5	54.0	53.5
Miscellaneous Receipts	4.2	4.6	4.6	4.6	4.6	4.6	4.6
<b>TOTAL REVENUE DEPT</b>	<b>7,385.0</b>	<b>7,494.5</b>	<b>7,463.3</b>	<b>7,478.9</b>	<b>7,585.7</b>	<b>7,510.7</b>	<b>7,674.3</b>
Royalties	470.0	288.7	182.6	176.7	209.3	225.2	236.4
Rentals	10.3	10.5	4.6	4.4	5.2	5.6	5.9
Bonuses	15.5	7.0	3.7	3.5	4.2	4.5	4.7
Royalty Interest	2.2	0.6	1.0	1.0	1.0	1.0	1.0
<b>TOTAL MINERAL BOARD</b>	<b>498.0</b>	<b>306.7</b>	<b>191.8</b>	<b>185.7</b>	<b>219.7</b>	<b>236.3</b>	<b>248.0</b>
Interest on Investments	42.7	29.8	23.0	21.0	22.0	24.0	26.0
Interest Earnings (TTF)	0.5	0.3	0.3	0.3	0.3	0.3	0.3
Various Agency Receipts INA	71.8	324.9	238.4	209.7	214.0	220.2	220.1
Agency SGR Over-collections	28.6	27.1	21.3	21.3	21.3	21.3	21.3
Bond Reimbursements	24.3	22.9	21.3	22.7	22.7	22.7	22.7
Education Support Fund	58.6	41.7	49.7	49.3	51.9	54.5	57.1
Lottery	164.4	156.8	187.5	171.0	153.8	153.8	153.8
Land Based Casino	72.6	71.4	63.5	63.5	63.5	63.5	63.5
Tobacco Settlement	180.2	134.0	106.7	108.6	110.6	112.7	114.8
Provider Fees	125.3	131.6	129.8	135.2	138.4	141.6	144.7
<b>TOTAL TREASURY</b>	<b>769.0</b>	<b>940.7</b>	<b>841.5</b>	<b>802.6</b>	<b>798.5</b>	<b>814.5</b>	<b>824.3</b>
Excise License Tax	445.5	454.1	529.1	541.5	565.6	585.2	604.9
Insurance Fees	60.3	63.0	65.3	64.8	68.1	70.8	73.5
<b>TOTAL INSURANCE</b>	<b>505.8</b>	<b>517.1</b>	<b>594.4</b>	<b>606.3</b>	<b>633.7</b>	<b>656.0</b>	<b>678.4</b>
Misc Public Safety/ABP	13.9	13.5	14.1	14.7	14.9	15.5	15.3
Certificate of Title	24.6	24.3	83.9	85.0	85.4	86.5	86.1
Motor Vehicle License	113.7	116.9	119.5	129.8	131.3	133.7	135.6
Motor Vehicle Sales	371.2	396.2	407.2	424.6	431.1	449.3	442.9
Riverboat Gaming	372.5	410.1	426.3	427.1	427.1	427.1	427.1
Racetrack Slots	58.7	57.7	55.9	55.9	55.9	55.9	55.9
Video Poker	187.8	190.8	188.6	189.1	189.1	189.1	189.1
<b>TOTAL PUBLIC SAFETY</b>	<b>1,142.3</b>	<b>1,209.5</b>	<b>1,295.5</b>	<b>1,326.1</b>	<b>1,334.7</b>	<b>1,357.1</b>	<b>1,352.0</b>

COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE							
FISCAL YEARS 2013/2014 THROUGH 2019/2020 (IN MILLIONS)							
Dedications	ACTUAL 2013/14	ACTUAL 2014/15	FORECAST 2015/16 10-Feb-16	FORECAST 2016/17 10-Feb-16	FORECAST 2017/18 10-Feb-16	FORECAST 2018/19 10-Feb-16	FORECAST 2019/20 10-Feb-16
Trans Trust/fuels	471.1	485.1	493.5	499.3	506.6	514.0	521.4
Trans Trust/motor vehicle lic	48.0	49.7	50.8	55.2	55.8	56.8	57.6
Trans Trust/sales jet fuel	29.8	29.8	29.8	29.8	29.8	29.8	29.8
Trans Trust/interest & fees	28.5	30.0	28.2	28.2	28.2	28.2	28.2
TIME/fuels	117.8	121.3	123.4	124.8	126.7	128.5	130.3
H F #2/motor vehicle license	11.6	11.8	12.1	13.1	13.3	13.5	13.7
State Highway Improvement Fund	52.6	53.8	55.0	59.7	60.4	61.5	62.4
Parishes/severance	49.9	43.9	26.6	17.6	19.2	20.4	21.2
Forest Productivity	2.3	2.5	2.5	2.5	2.5	2.5	2.5
Parishes/royalties	46.2	34.0	18.3	17.7	20.9	22.5	23.6
DNR/AG Support Fund	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Wetlands Conservation&Rst	29.5	23.6	16.2	13.5	14.6	15.2	15.7
Mineral Revenue Audit & Set.	-	-	-	-	-	-	-
Education Support Fund	58.6	41.7	49.7	49.3	51.9	54.5	57.1
Workforce Develop Fd/sales	12.0	12.5	12.5	12.6	12.5	12.6	12.6
Tourism Promotion Dist/sal	22.4	23.2	23.3	23.4	23.3	23.4	23.4
Telecommunications Fund for the Deaf	1.0	1.0	1.0	1.0	1.0	1.0	1.0
2% Fire Insurance/excise lic	21.5	21.6	22.2	22.2	23.5	24.5	25.5
Fire Marshall/excise license	15.7	16.1	16.5	16.6	17.5	18.3	19.0
LSU Fireman Training /excise	3.1	3.2	3.3	3.3	3.5	3.7	3.8
Retirement Systems/insurance	60.3	63.0	65.3	64.8	68.1	70.8	73.5
ELT MATF Medicaid Managed Care	30.9	51.3	101.0	112.4	112.4	112.4	112.4
State Police Salary Fund	15.6	15.6	15.6	15.6	15.6	15.6	15.6
Video Poker	57.9	58.8	58.2	58.3	58.3	58.3	58.3
Racetrack Slots	32.1	32.7	31.7	31.7	31.7	31.7	31.7
Lottery	163.9	156.3	187.0	170.5	153.3	153.3	153.3
SELF Fund	152.0	155.4	153.3	154.8	154.8	154.8	154.8
Higher Education Initiatives Fund	-	-	350.0				
Casino Support Fund	-	3.6	1.3	-	-	-	-
Riverboat Gaming	58.7	64.3	66.8	67.0	67.0	67.0	67.0
Compulsive & Problem Gaming	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Budget Stabilization	-	-	-	25.0	25.0	25.0	25.0
Haz Waste Site	3.0	3.7	3.3	3.3	3.3	3.3	3.3
Supervision&Inspection Fees	8.5	7.9	8.0	8.0	8.0	8.0	8.0
Inspection Gasoline Fee	4.2	4.6	4.6	4.6	4.6	4.6	4.6
Louisiana & Tobacco Funds	192.5	148.7	116.6	119.0	121.0	123.1	125.2
Tobacco Tax Health Care Fund	37.6	44.8	37.1	38.9	38.9	38.9	38.9
Tobacco Tax Medicaid Match Fund	-	-	106.4	107.4	107.4	107.4	107.4
Rapid Response Fund/Economic Dev	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Rapid Response Fund/Workforce	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Unclaimed Property Leverage	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Capitol Tech	10.0	10.0	10.0	10.0	10.0	10.0	10.0
LDR Fraud / Lottery Reserves / Debt Recovery	92.0	63.1	5.0	5.0	5.0	-	-
Provider Fees	125.3	131.6	129.8	135.2	138.4	141.6	144.7
NOW Waiver Fund							
<b>Total Dedications</b>	<b>2,105.1</b>	<b>2,059.2</b>	<b>2,475.0</b>	<b>2,160.2</b>	<b>2,172.9</b>	<b>2,195.6</b>	<b>2,221.5</b>
<b>GENERAL FUND REVENUE</b>	<b>8,195.0</b>	<b>8,409.2</b>	<b>7,911.5</b>	<b>8,239.3</b>	<b>8,399.5</b>	<b>8,379.0</b>	<b>8,555.4</b>
Fund Balance Transfer	-	-	28.2	-	-	-	-
<b>GENERAL FUND REVENUE (including Fund Balance Transfer)</b>	<b>8,195.0</b>	<b>8,409.2</b>	<b>7,939.7</b>	<b>8,239.3</b>	<b>8,399.5</b>	<b>8,379.0</b>	<b>8,555.4</b>

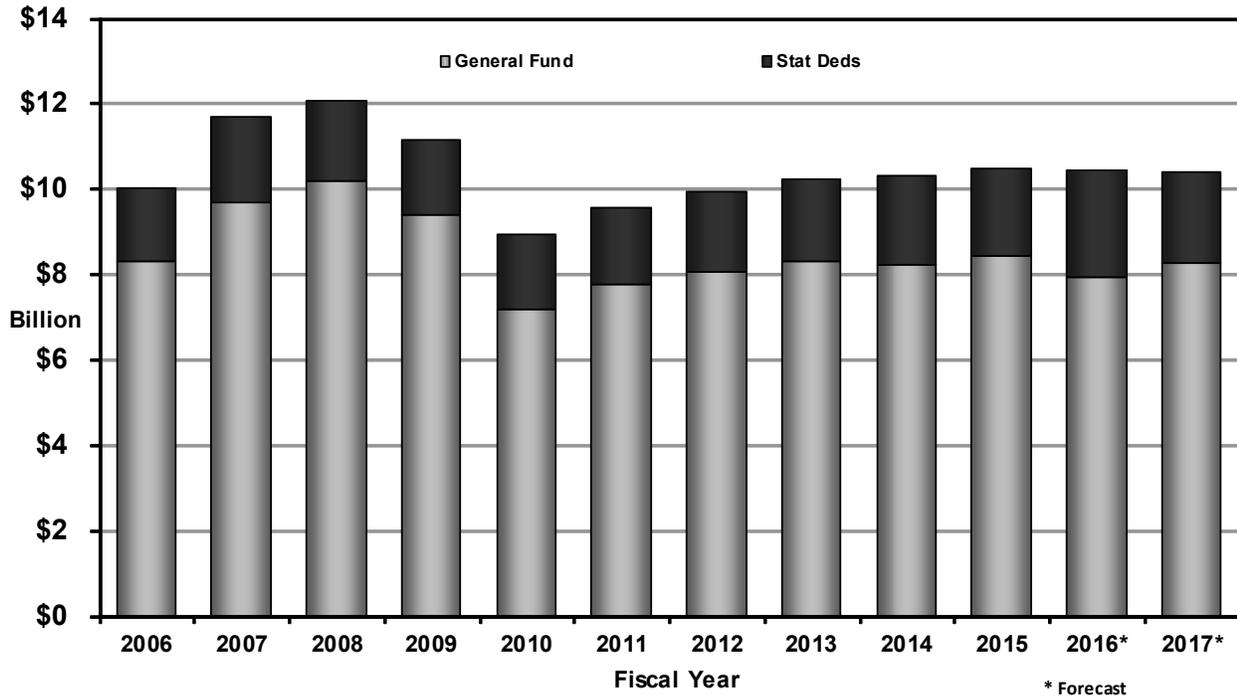
# ECONOMIC OUTLOOK

## LOUISIANA ECONOMIC FORECAST SUMMARY BY FISCAL YEAR ENDING JUNE 30

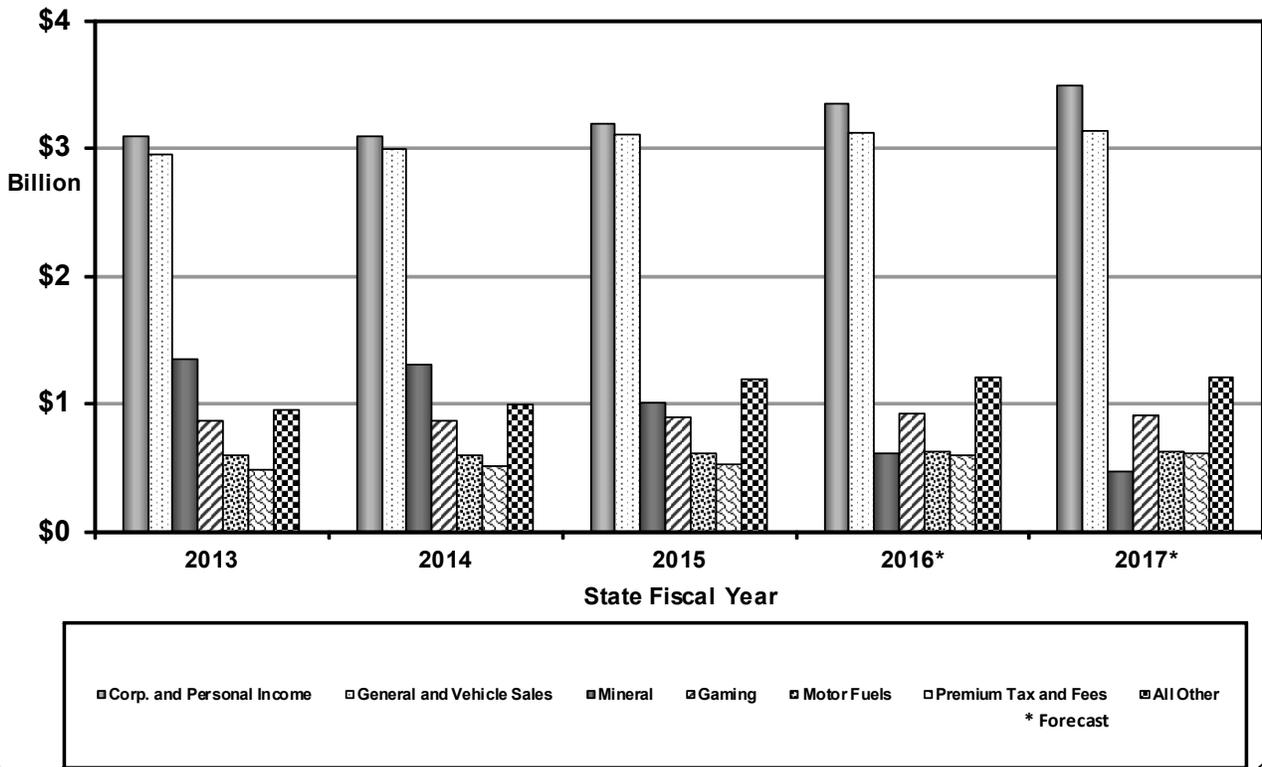
	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016*</u>	<u>FY 2017*</u>
<b>Macroeconomic Assumptions</b>							
Population (Thousand)	4,565.6	4,593.9	4,620.5	4,642.2	4,659.9	4,675.6	4,690.8
<i>% Change</i>	0.9%	0.6%	0.6%	0.5%	0.4%	0.3%	0.3%
Louisiana Non-Agricultural Employment (Thousand)	1,892.1	1,916.2	1,938.0	1,965.8	1,988.8	1,988.6	2,012.6
<i>% Change</i>	0.3%	1.3%	1.1%	1.4%	1.2%	0.0%	1.2%
National Non-Agricultural Employment (Million)	130.9	133.0	135.2	137.6	140.6	143.3	146.0
<i>% Change</i>	0.6%	1.6%	1.6%	1.8%	2.1%	1.9%	1.9%
Louisiana Wages and Salaries (\$ Billion)	85.3	87.6	90.1	93.1	96.7	98.7	103.8
<i>% Change</i>	3.7%	2.7%	2.9%	3.3%	3.9%	2.1%	5.1%
National Wages and Salaries (\$ Billion)	6,526.0	6,763.3	7,022.8	7,283.1	7,655.2	8,063.3	8,554.3
<i>% Change</i>	3.9%	3.6%	3.8%	3.7%	5.1%	5.3%	6.1%
Inflation (Personal Consumption Deflator - Year 2009 = 100)	102.7	105.2	106.9	108.4	109.2	110.2	112.9
<i>% Change</i>	1.8%	2.4%	1.5%	1.4%	0.8%	0.9%	2.4%
Annual Change in U.S. Real Gross Domestic Product	2.3%	2.0%	1.4%	2.1%	2.7%	2.4%	3.0%
<b>Mineral-Related Assumptions</b>							
Severance Crude Oil Price (\$/barrel)	85.73	109.30	105.05	103.40	76.22	37.12	30.00
<i>% Change</i>	25.4%	27.5%	-3.9%	-1.6%	-26.3%	-51.3%	-19.2%
Oil Production (Million Barrels)	68.3	74.5	77.0	75.2	71.4	65.0	62.8
<i>% Change</i>	1.4%	8.9%	3.4%	-2.4%	-5.1%	-8.9%	-3.5%
Henry Hub Natural Gas Price (\$/MCF)	4.31	3.28	3.48	4.24	3.33	2.32	2.09
<i>% Change</i>	0.1%	-24.0%	6.1%	21.8%	-21.5%	-30.3%	-9.9%
Natural Gas Severance Rate (¢/MCF)	16.4	16.4	14.8	11.8	16.3	15.8	10.0
Natural Gas Production (Million MCF)	2,598.9	3,076.4	2,718.9	2,063.5	1,852.3	1,670.3	1,575.6
<i>% Change</i>	44.8%	18.4%	-11.6%	-24.1%	-10.2%	-9.8%	-5.7%

\* Forecast

### TAXES, LICENSES AND FEES



### TAXES, LICENSES & FEES Major Revenue Sources



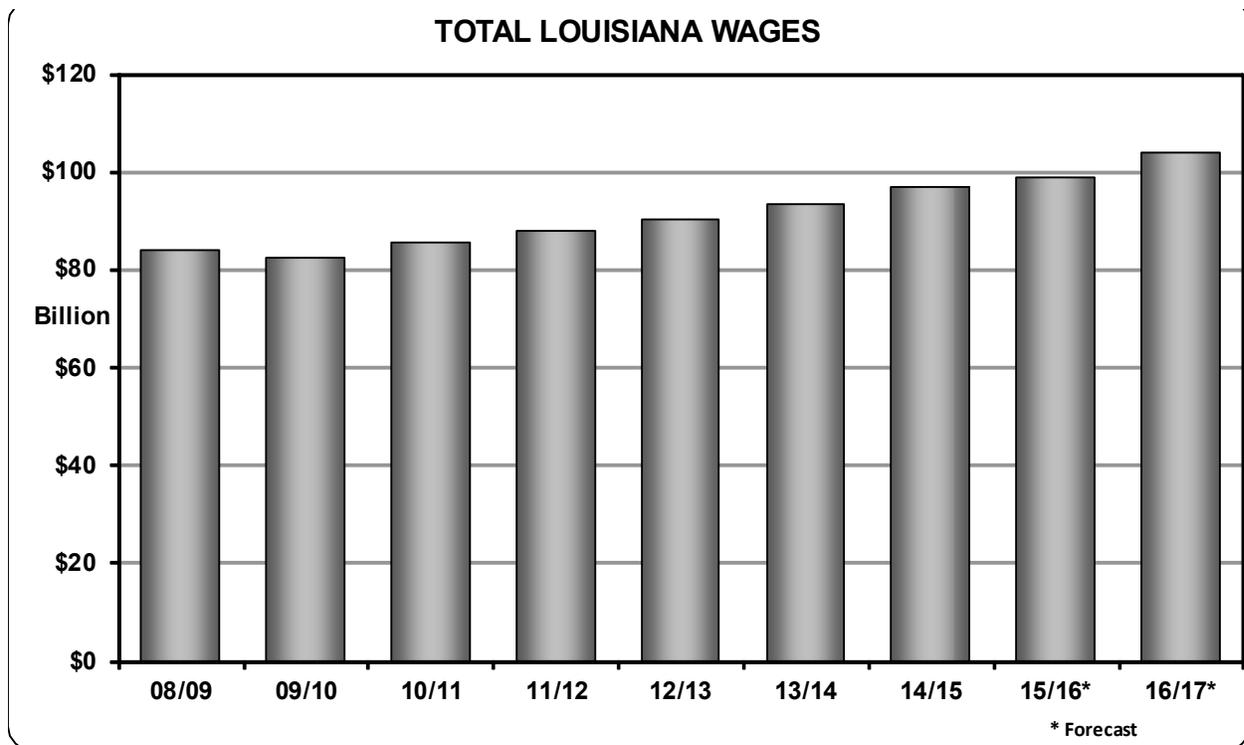
## Louisiana Employment and Wages

Over the last few fiscal years, Louisiana non-farm employment has been steadily rising, in tune with national economic activity. After falling in fiscal year FY2009-2010 by 2%, non-farm employment had a very modest recovery in fiscal year FY2010-2011. Subsequent fiscal years, FY2012-2013, FY2013-2014 and FY2014-2015 showed an improvement of 1.2% per year on average. Fiscal year FY2015-2016 is currently indicating a flat performance in the labor market (mostly because of the downturn in the oil industry), and for FY2016-2017 a small recovery is expected (1.2%).

Louisiana nominal wages fell (because of the effects of the crisis at the time) by 1.6% in FY2009-2010 and recovered 2.7%, 2.9%, 3.3% and 3.9% in FY2011-2012, FY2012-2013, FY2013-2014 and FY2014-2015 respectively. The projection for FY2015-2016 and FY2016-2017 is an increase in nominal wages of 2.1% and 5.1%.

Louisiana Employment (Thousands, SA)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 forecast	FY 2016-17 forecast
<b>Statewide Nonfarm Employment</b>	<b>1,938</b>	<b>1,966</b>	<b>1,989</b>	<b>1989</b>	<b>2013</b>
<b>Goods Producing</b>	<b>320</b>	<b>334</b>	<b>341</b>	<b>336</b>	<b>342</b>
Natural Resources & Mining	53	54	51	43	40
Construction	129	134	141	146	156
Total Manufacturing	143	146	149	146	145
<b>Service Providing</b>	<b>1,612</b>	<b>1,648</b>	<b>1,648</b>	<b>1653</b>	<b>1671</b>
Trade, Transportation & Utilities	380	392	392	386	389
Information	26	27	27	26	25
Financial Activities	92	93	93	92	91
Professional & Business Services	206	212	212	219	227
Education & Health Services	286	302	302	309	310
Leisure & Hospitality	210	223	223	228	233
Other Services (except Public Administration)	69	72	72	72	73
Total Government	344	326	326	322	322

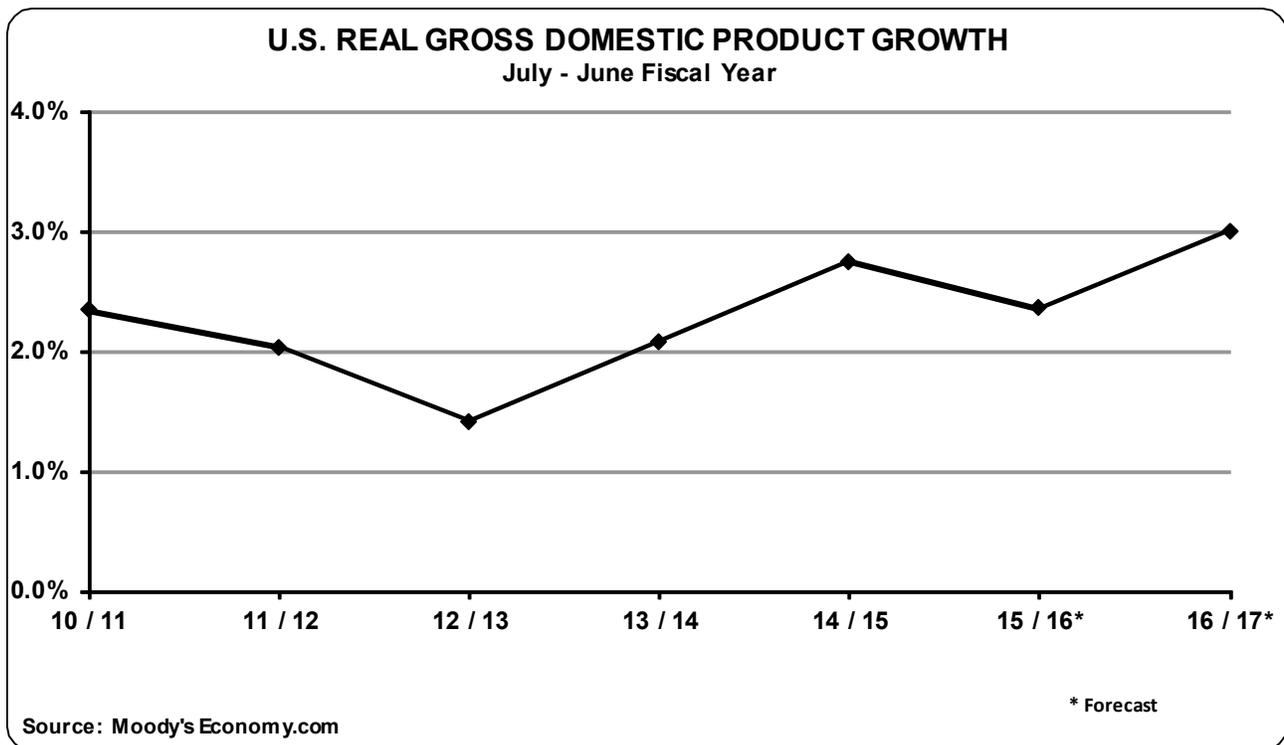
Source: Moody's Economy.com.



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## U.S. Real Gross Domestic Product

The following is based upon the Moody's Economy.com data and forecast. The year 2009 was one of the worst years for the U.S. economy after World War II. The recession, which began late 2007, continued throughout 2008 and 2009. The National Bureau of Economic Research (NBER) Business Cycle Dating Committee has declared that the recession ended in the summer of 2009. U.S. real GDP fell by 3.2% during FY2008-2009, and close to 8 million jobs were lost since the economic downturn started. The national unemployment rate is now, at the time of this writing, at about 5.6% and is widely expected to remain at that level. During FY2009-2010 U.S. real GDP remained flat, growing at a pace of 1.0%. Fiscal years FY2010-2011, FY2011-2012, FY2012-2013 and FY2013-2014 presented modest growth rates of 2.3%, 2.0%, 2.0% and 2.5%, respectively. Projections by Moody's Economy.com indicate that for FY2014-2015 and FY2015-2016 the U.S. economy may grow at healthier rates of 3.2% and 3.7%, respectively.



## Revenue Summary - Fiscal Year 2014-2015

The Revenue Estimating Conference (REC) met February 10, 2016 and adopted a forecast for Fiscal Year FY2015-2016 that projected an amount for Taxes, Licenses & Fees (TLF) of \$10,386.5 million; this represents a decrease of \$82 million compared to the actual collection of fiscal year FY2014-2015. With this Official Forecast, the State General Fund (SGF) is projected to fall by \$492 million, compared to the actual SGF collection in FY2014-2015 (a 5.8% decrease). The reason, in part, for this reduction in the SGF is that, for Fiscal Year 2015-2016, Statutory Dedications are projected to rise by about 20%, of which the biggest increase is due to the Higher Education Initiatives Fund.

	<b>FY 2015-2016 (Estimated) (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	10,386.5	-81.9	-0.8
Statutory Dedications	2,475.0	415.8	20.2
State General Fund	7,939.7	-492.0	-5.8

The following table ranks the revenue sources with the largest expected percentage growth and a \$10 million or higher increase over the prior fiscal year:

### Annual Revenue Increases Greater than \$10 Million

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Individual Income Tax	96.8	3.4
Tobacco Tax	89.1	57.8
Excise License Tax (Premium Insurance Tax)	75.0	16.5
Certificates of Title	59.6	245.2
Corporate Collections (Income & Franchise)	59.2	19.7
Lottery Proceeds	30.7	19.5
Riverboat Gaming Collections	16.2	3.9
Vehicle Sales Tax	11.0	2.8

The bulk of the raises are due to increases in taxes and reductions in tax credits passed by the legislator during the Regular Legislative Session of 2015. Such changes are mostly concentrated in Corporate Collections and the Individual Income Tax. However, some of the tax revenues have been yielding disappointing collections as the Fiscal Year continues to be in progress; this is especially true for Corporate Collections. The Tobacco Tax was permanently increased by 50 cents per cigarette pack (and a small increase in the tax on vapor products). The increase in the Tobacco Tax was dedicated to Medicaid funding. The Title fee on vehicles was increased significantly, which is why this item has the highest percentage increase of the table. Increases in the Excise License Tax (which is the Insurance Premium Tax) reflect an expansion of the tax base. Lottery Proceeds were higher because of legislative action – the Lottery Corporation was ordered by the legislator to transfer monies to the State General Fund. Riverboat Gaming collections exhibit a projected increase because of the new riverboat casino in the Lake Charles area. And finally, the Vehicle Sales Tax is also projected to exhibit strength in its collection.

The following table ranks the revenue sources with the largest projected annual percentage declines during Fiscal Year 2015-2016:

**Annual Revenue Decreases Greater than \$10 Million**

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Severance Tax	-288.2	-40.7
Royalties	-106.1	-36.7
Tobacco Settlement	-27.3	-20.4

A combination of lower oil and natural gas production and substantially lower prices have significantly decreased the projection for the collection of the Severance Tax and Royalties. Tobacco Settlement revenue is projected to be lower, compared to the previous fiscal year, because in the previous fiscal year it had additional revenue from bond refinancings (which is not the case in this fiscal year).

**Revenue Summary - Fiscal Year 2015 - 2016**

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**Annual Revenue Increases Greater than \$10 Million**

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Individual Income Tax	96.8	3.4
Tobacco Tax	89.1	57.8
Excise License Tax (Premium Insurance Tax)	75.0	16.5
Certificates of Title	59.6	245.2
Corporate Collections (Income & Franchise)	59.2	19.7
Lottery Proceeds	30.7	19.5
Riverboat Gaming Collections	16.2	3.9
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Royalties	-106.1	-36.7
Tobacco Settlement	-27.3	-20.4

A combination of lower oil and natural gas production and substantially lower prices have significantly decreased the projection for the collection of the Severance Tax and Royalties. Tobacco Settlement revenue is projected to be lower, compared to the previous fiscal year, because in the previous fiscal year it had additional revenue from bond refinancings (which is not the case in this fiscal year).

## Revenue Summary - Fiscal Year 2016-2017

The REC meeting on February 10, 2016 also revised the forecast for FY2016-2017. It projects an increase of 3.8% in the State General Fund for FY2016-2017, compared to the projection for FY2015-2016. This increase can be explained by a sharp decrease in the Statutory Dedications. The reason for this is because in Fiscal Year 2016-2017 there is (so far) no appropriation for the Higher Education Initiatives Fund, so that Dedications decrease significantly compared to the previous fiscal year.

	<b>FY 2016-2017 Forecast (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	10,399.6	13.1	0.1
Statutory Dedications	2,160.2	-314.7	-12.7
State General Fund	8,239.3	299.6	3.8

The following table shows revenue sources that are projected to increase by \$10 million or more during Fiscal Year 2016-2017:

### Annual Revenue Increases Higher than \$10 Million

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Individual Income Tax	88.4	3.0
Corporate Collections (Income & Franchise)	53.9	15.0
Vehicle Sales Tax	17.4	4.3
Excise License Tax (Premium Insurance Tax)	12.4	2.3
Tobacco Tax	12.0	4.9

The projected increase in these revenues is linked to the expectation of a slow rise in economic activity, despite the challenges faced in the overall tax collection; this is particularly true for the Individual Income Tax, the Vehicle Sales Tax and the Tobacco Tax. The Excise License Tax is forecast to increase due to the final expansion of the Bayou Health program, which will entail a higher number of health insurance policies sold.

The following table ranks the revenue sources with the largest projected annual percentage declines and a \$10 million or more estimated decrease during Fiscal Year 2016-2017:

### Annual Revenue Decreases Greater or Equal to \$10 Million

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Severance Tax	-142.1	-33.8
Lottery Proceeds	-16.5	-8.8

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Severance Tax collections are expected to decline due to a decrease in oil and natural gas production, combined with a significant weakness in their prices. Lottery Proceeds reflect a conservative outlook, given that the last two fiscal years the state saw record Lottery collections; therefore, the change in the forecast manifests a prudence that such record income may not continue in the future.

